of the watchman at the factory is not charged to insurance nor treated as a deduction from income, because "no money is invested in the watchman, and, therefore, there is no expense which can be traced directly to capital." Taxes are included in this group for the reason "that they are likewise paid for the protection of capital." For an author who has so keen an appreciation as Professor Wildman of the fact that all accounting principles must be justified by the purposes which accounting is intended to serve, and that all classifications and subdivisions must find their reason for being in the same cause, such analysis as the above is unfortunate.

The chapter on depreciation is valuable because of its legal references showing the development of the present attitude of the courts on this question. The chapters on reserves and on preparation of financial statements are especially good.

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Advertising. Its Principles and Practice. By HARRY TIPPER, HARRY L. HOLLINGSWORTH, GEORGE BURTON HOTCHKISS, and FRANK ALVAH PARSONS. (New York: The Ronald Press Company. 1915. Pp. xi, 575.)

The Business of Advertising. By EARNEST ELMO CALKINS. (New York: D. Appleton and Company. 1915. Pp. xvi, 363. $2.00.)

The Elementary Laws of Advertising and How to Use Them. By HENRY S. BUNTING. (Chicago: The Novelty News Press. 1913. Pp. viii, 188.)

Advertising. Selling the Consumer. By JOHN LEE MAHIN. (New York: Doubleday, Page and Company for The Associated Advertising Clubs of the World. 1914. Pp. xviii, 260. $2.00.)

The New Business. By HARRY TIPPER. (New York: Doubleday, Page and Company for The Associated Advertising Clubs of the World. 1914. Pp. xv, 391. $2.00.)

Of these books, the first three may be classified as technical treatises on advertising. They appear to be excellent in their field. It does not lie within the province of the economist, but rather in that of the psychologist or the advertising expert, to pass upon the technique with which they concern themselves. The Tipper-Hotchkiss-Hollingsworth-Parsons book and the Calkins book may

be described as complete manuals of advertising practice. Bunting is an exceedingly compressed, but clear and lively, statement of some of the fundamental laws of advertising.

To a certain degree in Mahin's book, and to a greater extent in H. S. Tipper's book, there is present another element, which is of interest to the student of economic policies, namely, the discussion of the general significance of advertising in relation to the other agencies of distribution which have been evolving in recent decades in this country. The fullness of knowledge concerning practice with which these men write is admirable; equally admirable is their unqualified stand for truth of statement and ultimate service to the consumer, as bases for judging the value of advertising. But these books do not provide us with a systematic and objective treatment of modern distribution such as we should expect at the hands of trained economists. This does not imply a censure. The thought-provoking character of the discussions in these books is ample proof that the writers would make splendid coöperators with men of strictly scientific training and point of view, in an endeavor to formulate the underlying principles and significant drift of the modern distributive process.

It is less creditable that so many economists remain ignorant of the nature of the modern market. Pedagogical necessity may excuse the archaic simplicity of the illustrations of "supply and demand" commonly presented to college sophomores in elementary courses in economics. But when we turn to the research frontier of our science, and contemplate the distribution of research workers into various fields, it is certainly an evidence of "the cake of custom" that, until the last five years, few have attacked the extraordinary complications and fateful tendencies of the American domestic market. This market, with its specialization and standardization of merchandise by trademarks, trade names, packages, and talking points, its guarantees (often shrewdly calculated on the basis of experience with returns), its "quantity prices," "free deals," and cut-price campaigns, as over against policies of "fixed prices" and "price maintenance," its "created demand" and dealer's helps, its independent dealers versus the consolidations represented by syndicate buyers, buyer's unions and chain stores, its exclusive agencies and diverse and ingenious contracts in restraint of trade, its strategy of premiums and "leaders," skin grades and predatory forms of competition, its elaboration of service and duplication of equipment, offers a wonderful opportunity for the

scientific investigator to find for himself a reasonably circumscribed topic of research, and to mature conclusions much needed in the formation of an intelligent public opinion.

EDWARD D. JONES.

Principles of Depreciation. By EARL A. SALIERS. Ronald Accounting Series. (New York: The Ronald Press Company. 1915. Pp. 200. $2.50.)

This book is exceedingly difficult to evaluate satisfactorily. It follows in the main the ideas and classifications generally accepted by the accounting profession, and will doubtless be favorably received by American professional accountants. It is the first comprehensive work on depreciation presented by an American writer, and for this reason alone is interesting. It will be useful as a handbook or as an introductory textbook, and it will serve in further emphasizing the importance of regular depreciation allowance in industrial management.

There are 16 regular chapters, an additional chapter explaining the use of logarithms, one giving a selected bibliography on depreciation, a detailed table of contents, and a fairly adequate index. The principal text is divided into three parts: I, Theory; II, Practical Applications; III, Determining the Depreciation Charge. Part I (5 chapters) takes up in turn the character of industrial plant, analysis of hydro-electric plant, plant register, depreciation reserves versus depreciation funds, and depreciation and efficiency. Part II (4 chapters) covers regulation by court and commissions, the income tax, valuations, and land in valuations. Part III (7 chapters) takes up the methods of depreciation, the straight line method, the reducing balance method, the sinking fund method, the annuity method, the equal annual payment method, and the unit cost method.

The author's general view of depreciation is expressed most clearly in the following passages: The "loss of value, whether tangible or intangible in form, resulting from physical decay, or from obsolescence or inadequacy, which indicate functional decay, is known as depreciation" (p. 22). "Depreciation charges are adjustments made at the end of a period to remedy discrepancies between book accounts and the things whose values they indicate" (p. 49). "Two different things should be done, *viz.*: (1) write down book values to actual values, carrying the amount written off to the Profit and Loss account, and (2) provide funds to re-